



WASHINGTON, D.C. 20301

26 March 1981

MEMORANDUM FOR THE RECORD

SUBJECT: Conversation with Portuguese Foreign Minister, 25 Mar 81

PLACE: Portuguese Embassy

PARTICIPANTS:

Andre Goncalves Pereira, Minister of Foreign Affairs for Portugal

Vasco Futscher Pereira, Portuguese Ambassador to the United States (Designate)

Rui Quartin Santos, Special Assistant to the Foreign Minister and Director of the Cabinet for Portugal

Frank C. Carlucci, Deputy Secretary of Defense, United States

The following subjects were covered:

Beja: The Foreign Minister said he had no objection to our using Beja for training and refueling. He did not intend to "horse trade" over Beja; this was to be Portuguese "contribution" to the Alliance.

Lajes: Portugal's principal problem with Lajes is that they did not want to be considered NATO's aircraft carrier. Portugal wanted to participate fully in the Alliance. As best I could tell, this seemed to boil down to better consultation.

The Foreign Minister was clearly put-out at learning about our proposed modifications to Lajes in the budget via the HERALD TRIBUNE. He indicated he needed advance notice on matters of this nature in order to avoid political problems in the Azores. If we make another approach to him, perhaps using my name, I think he will agree to allow the survey team to go ahead.

Ammunition Sales: I observed that Portugal produces ammunition. The Foreign Minister said this is one of the subjects he wished to raise with me. Portugal produces good ammunition and he hopes to sell some of it to us. I said we would certainly consider this and invited him to submit a proposal.

Frigates: The Foreign Minister described Portugal's Frigate Program in some detail. He seemed conversant with our programs and with the funds we have included in the Security Assistance request. He concluded his description with two requests:

OSD review completed

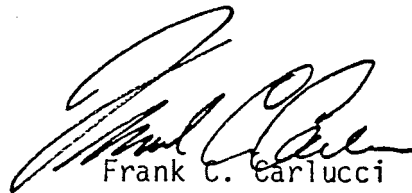
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a. He recognized that the \$50M in concessional assistance was virtually equivalent to a grant. Since this is the case, why not make it a grant and ease his political problem with the Portuguese military. I told him this presented substantial bureaucratic procedures and reviewed with him the history of the current program. That program had been started as a temporary program and the GOP had specifically agreed to this. The Foreign Minister acknowledged the point.

b. The GOP intended to contribute at least \$200M to the \$550M Frigate Construction Program. They hoped for a contribution of \$150M to \$180M from the U.S. over a period of three years or more. All of these funds would be used for the purchase of U.S. equipment. The \$60M in Security Assistance planned for FY82 could be used as a start. What the GOP needed was confidence that we would be able to continue our aid program on this scale over the next few years. Otherwise they could not risk going ahead. I assured him that DOD would continue to support FMS funds for Portugal in future years and said that I would take this up with the Secretary of State the next day.

Angola: The Foreign Minister volunteered his analysis of the Angolan situation. He said the MPLA had told him it is sincere in wanting to improve relations with the West. He had responded by telling them a good start could be made by getting the Cubans out. Their retort was that they can't get Cubans out as long as the Unita insurgency continues. The Foreign Minister's view was that Unita would never be strong enough to overthrow the MPLA. Hence, support for Unita would be a futile gesture, which would just make it impossible to develop relations with the MPLA.

I acknowledged that Savimbi had limited projection in Angola, but noted that we were seized with the problem of Cuban adventurism in a number of areas around the globe. Angola might well represent a point of vulnerability for Castro. If so, it was in our interest to exploit it so that Castro might be distracted from activities elsewhere. The Foreign Minister acknowledged this possibility noting that "we were simply looking at the problem from different perspectives."



Frank C. Carlucci

Copy to:

Mr. Burt, Dir, Bureau of Politico-Mil Affairs, State
Mr. Holmes, Dep Asst Sec State, Euro Affairs

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